

Current events

Dr. Habib Al Mulla, Chairman of the DFSA, joins Guy Guillemard, CEO of Signature Clubs International, at flagship club launch in Dubai.

FULL STORY INSIDE



engineering success

ISSUE 1
NOVEMBER 2006



Abraaj Capital becomes the largest single shareholder of EFG-Hermes Holding

At an Extraordinary General Meeting on 3 September in Cairo, the shareholders of EFG-Hermes approved the subscription to 25% of EFG-Hermes Holding stock by Abraaj Capital. The resolution received a 99.9% endorsement. With this deal, Abraaj has become the single largest shareholder in EFG-Hermes and now has proportionate representation on the board. The transaction is a strategic deal for Abraaj Capital in line with its strategy of expanding its financial services activities to become a leading diversified financial services group in the MENASA region.

EFG-Hermes was established in 1984 and is the Arab world's premier investment banking firm and the market leader in securities brokerage, asset management, investment banking, and private equity. In July 1998, EFG-Hermes went public with a US\$ 50 million GDR offering and now boasts a market capitalization of nearly

US\$ 2 billion. EFG-Hermes is listed on the London and Cairo stock exchanges. Since 1997, EFG-Hermes has raised equity of approximately US\$ 7.4 billion for its investment banking clients and advised on more than US\$ 13.2 billion worth of M&A transactions. The firm's international clients include Nestle, Kraft foods, American Express, Pepsi Co., Heineken, Bristol-Myers Squibb Co., HSBC, and GlaxoSmithKline.

Abraaj has subscribed to 97,074,010 of common shares of EFG-Hermes by way of a capital increase exclusively issued at a price per share of EGP 30 in a transaction valued at EGP 2.9 billion (US\$ 505 million).

Commenting on the transaction Sheikh Abdulrahman Ali Al Turki, Chairman of Abraaj Capital said, *"This investment is being directly made by Abraaj Capital, which increased its capital to US\$ 1 billion as part of the transaction. Major regional and international institutional investors*

participated in the capital increase, which was completed in record time, a strong sign of endorsement in the company and its future plans."

Arif Naqvi, CEO and Executive Vice Chairman of Abraaj Capital, said: *"We thank all the shareholders of EFG-Hermes for showing their faith in the alliance of Abraaj Capital and EFG-Hermes. This transaction is a strategic and long term investment for Abraaj Capital and it shows our confidence and commitment to the future of the Middle East. EFG-Hermes is widely regarded as the leading investment bank in the region and our strategy moving forward will be to catalyze and accelerate the regional development plan of EFG-Hermes to become the foremost integrated financial services institution in the region."*

Yasser El-Mallawany, Chairman and CEO of EFG-Hermes added, *"We appreciate the continuous support from our shareholders.*

Our shareholders have endorsed the board's vote of confidence in Abraaj Capital. We all recognize the strategic value of Abraaj Capital's acquisition of 25% of EFG-Hermes, making it the single largest shareholder in our company. The management teams of EFG-Hermes and Abraaj Capital will now move swiftly to plan next steps in implementing our strategy of aggressively expanding our regional presence across all business lines."

It is with great pleasure that we present the first issue of 'engineering success', the Abraaj Capital newsletter. This is one of many new initiatives the Investor Relations team is introducing to keep you fully updated on Abraaj related news.



FREDERIC SICRE, EXECUTIVE DIRECTOR

Within this newsletter you will find articles on many of our portfolio companies having made the headlines in recent months for receiving industry awards, attracting top professionals and landing substantial new contracts. You will also find an overview of the Firm's recent announcements in the press including our approval to become the single largest shareholder in EFG-Hermes and the launch of three new funds now in the fundraising stage, which will double assets under management to close to US\$ 4 billion.

You will also find information about developments within the Abraaj

professional team. Along with several appointments at the senior level it is with great pleasure that we are welcoming additions across each team at Abraaj. By hiring over 20 new professionals in 2006 so far, we are building a base to facilitate and enhance Abraaj's growth, both in terms of additional assets under management and regional coverage. This will enable us to continue to source the highest level of expertise in the region in terms of resources, processes and professionals, in order to meet our future challenges.

We look forward to bringing you the next issue of 'engineering success' towards the end of the year.

New joint venture to offer Middle Eastern themed hospitality

On 5 July, Abraaj announced a joint venture with Mr. Sami Zoghbi and Bahrain-based Ithmaar Bank to launch The Serai Group, with the objective of developing and managing an international chain of Middle Eastern themed Shari'a compliant hotels. The Serai Group is set to develop three distinct brands: Caravan Serai, positioned as a 'silk-road' experience for the mass market segment; Serai Hotels, offering seamless, uncluttered hospitality and services catering to the demands of the business traveler; and Grand Serai, offering a premium Arabian and Middle Eastern experience for the high-end guest segment. The joint venture will be capitalized with US\$ 500 million of equity to be partially funded by Abraaj and Ithmaar and is envisaged to be domiciled in the Kingdom of Bahrain.

Commenting on The Serai Group, CEO Sami Zoghbi stated *"The time has come for the international traveler to experience Arabian hospitality at a level of quality*

and service provided by leading international hotel operators. The Serai Group's properties and service model will be designed to provide all travelers with a genuine sense of Middle Eastern and Islamic-style living in tandem with the full amenities and technological facilities that are expected from a world-class hotel operator."

Arif Naqvi noted: *"With tourism growth in the Middle East anticipated to outpace that of global tourism growth by over 20 per cent, and with intraregional tourism expected to double in the next 15 years, we believe that there is a growing market for culturally sensitive Middle Eastern themed hotels with business & leisure as key focus areas. The improved regional tourism infrastructure, higher disposable per capita income and regional tourists shifting focus from Europe and the USA to the Middle East, are providing the required impetus to the hotel industry. While there are over 60,000 new rooms under construction today, The Serai*

Group is positioned to develop a unique product offering in an increasingly competitive market. "

Khalid Abdulla-Janahi, Chairman of Ithmaar Bank, said: *"We are excited to partner again with Abraaj Capital as this is our second joint endeavor within a short span of time. Current market conditions and dynamics present a unique opportunity as there is a clear gap in the current marketplace for Middle Eastern themed hotels. The Serai Group will address this gap and target the growing tourism market by offering a truly unique experience."*

The Serai Group is investigating a number of projects across the MENASA region including a mixed-use development located in the prime commercial district of Seef within the Kingdom of Bahrain.

Abraaj Capital receives Banker Middle East award

Abraaj Capital was named the 'Best Institution for Private Equity' by Banker Middle East magazine.

Banker Middle East is one of the most respected and widely read financial publications in the region and its annual awards are highly valued by the industry.

Paul McNamara of Banker Middle East said: 'Abraaj Capital has deservedly been named as the Best Private Equity House in the region. Its contribution to the private equity industry is widely regarded

as being critical to growth and development of the region. I am delighted to present this award to Abraaj Capital as it represents the opinion of thousands of voters."

Receiving the award, Shirish Saraf, Abraaj Managing Director said: *"The Banker Middle East Awards recognize excellence across the range of banking and finance and are the industry benchmark. It is a testimony to the pioneering role of Abraaj Capital in the regional private equity sector and its significant growth over the last few*

years. We are set to continue on a high-growth path of enhancing investor returns by deploying their funds across the Middle East, North Africa and South Asia region."

This award follows the 'Middle East Private Equity Firm of the Year' award to Abraaj Capital by readers of the Private Equity International (PEI) magazine from around the world. More than 20,000 of its registered members voted for the Global Private Equity Awards 2005.

NIGEL RODRIGUEZ, COO, BANKER ME, FREDERIC SICRE, EXECUTIVE DIRECTOR, ABRAAJ CAPITAL, SHIRISH SARAF, MANAGING DIRECTOR, ABRAAJ CAPITAL, AND PAUL MACNAMARA, MANAGING DIRECTOR, BANKER ME

Photo Courtesy of CPI Financial



Abraaj hosts roundtable on growth opportunities in China



FADI GHANDOUR, ABRAAJ BOARD MEMBER AND WINSTON WEN, FOUNDING PARTNER OF NEW HORIZON FUND AND CMT CHINA VALUE CAPITAL PARTNERS L.P.

Abraaj Capital hosted Winston Wen, the son of the Chinese Prime Minister and Founding Partner of New Horizon Fund and CMT China Value Capital Partners L.P., in Abu Dhabi and Dubai on 21 September.

Hussain Al-Nowais, Vice Chairman of Abraaj Capital, led a round of discussions at the event that

focused on growth opportunities in China, the world's fastest-growing economy. Also attending were Ken Burda, Chairman, Asia Pacific, at Deutsche Bank, and a range of prominent business people from across the Gulf and Middle East.



EGYPTIAN PRESIDENT, H.E. HOSNI MUBARAK, GIVING THE OPENING ADDRESS AT THE WORLD ECONOMIC FORUM MIDDLE EAST IN SHARM EL SHEIKH, EGYPT

Second annual regional partnership with the World Economic Forum

For the second year running Abraaj served as regional partner for the World Economic Forum (WEF) during its annual meeting on the Middle East. This strategic partnership coincided well with the Forum's increased focus on the emerging trends of private equity and venture capital in the region this year.

The meeting was held in Sharm El Sheikh, Egypt in May 2006. More than 1,200 government, business and civil society leaders from 46 countries met under the working theme, *"The Promise of a New Generation."* Participants examined the role of business as the engine of job creation and the need for leaders to work together for peace and stability.

Abraaj Executive Vice Chairman and CEO, Arif Naqvi highlighted the vital role played by private equity in supporting growth throughout the region. He said, *"Private equity firms not only provide capital but also expertise and strategic advice to grow businesses*

to their full potential. I was pleased to accept the World Economic Forum's invitation to introduce the session 'Private Equity – Funding the Future?' The fact that this global institution has introduced private equity to its agenda is a testimony to our industry and the role it can play in our region."

Frederic Sicre, Executive Director and Head of Investor Relations added, *"Our support for the WEF lies in the fact that we share the Forum's objectives of being catalysts for growth and employment in the region."*

Demonstrating our breadth of thought leadership, Abraaj executives will be featured throughout the international conference circuit as sought after speakers covering the spectrum of hot topics in the industry this year. Upcoming strategic sponsorships by Abraaj include the Private Equity International (PEI) Emerging Markets Forum in London, the IPO Summit Saudi Arabia in Riyadh and the Arab Strategy Forum

held in Dubai. Arif Naqvi will give the keynote address at the IPO Summit and sit on the opening panel of the PEI Emerging Markets Forum. Managing Director, Mustafa Abdel-Wadood, will serve as a panelist at the Arab Strategy Forum, where Frederic Sicre, will also serve as a moderator. Mr. Naqvi will be a featured speaker in Islamabad at the World Islamic Economic Forum on 'Diversifying Investment Portfolios for Profit and Security'. Managing Director, Shirish Saraf will speak at the Indian Private Equity Summit in Singapore in the New Year following speeches by Senior Vice President Jonathan Hall at the second annual conference on Syndicated Lending in the GCC in Dubai and Senior Vice President Omar Lodhi at Thomson's Middle East Capital Markets Forum in London. Vice President, Abdullah Shahin, will also speak at the Middle East Capital Markets Conference in Dubai.



Abraaj Capital Holdings Limited

Announces

The successful closing of its Capital Increase through
The Issuance of

1,000,000,000 shares
(US\$ 1,000,000,000)

This Issue was subscribed to by:

Sheikh Abdulrahman Ali Al Turki - ATCO, KSA

Abraaj Capital Co-Investors Limited

Abraaj Employees Limited

Al Jaber Group - Abu Dhabi

Al Qudra Holdings - Abu Dhabi

Arif M Naqvi

Citigroup Venture Capital International (CVCI)

Deutsche Bank

DIFC Investments LLC

Emirates Bank International PJSC

Hamid D Jafar - Crescent Petroleum, Dana Gas, Sharjah

Hussain J Al Nowais - Emirates Holdings, Abu Dhabi

Mashreq Bank

Sheikh Nawaf Nasser bin Khalid Al Thani - NBK Group, Qatar

The Public Institution for Social Security - Kuwait

General Retirement and Pension Authority - Qatar

Saud Abdulaziz Kanoo - Bahrain

Sheikh Sultan bin Saqr Al Qassimi - Gibca Group, Sharjah

Zabeel Investments - Dubai

This announcement appears as a matter of record only



FARRUKH KHAN, CEO BMA CAPITAL, ARIF M. NAQVI, CEO & EXECUTIVE VICE CHAIRMAN, ABRAAJ CAPITAL AND SHAUKAT AZIZ PRIME MINISTER OF PAKISTAN

New funds announced to capitalize on regional opportunity

In a series of announcements, Abraaj has revealed strategic fund developments in the most promising areas of regional private equity. New funds now in the fundraising phase will bring the funds under management by Abraaj to close to US\$ 4 billion.

The new funds aim to capitalize on the massive growth and increasing stability in Pakistan and India as well as opportunities in infrastructure and growth capital investments.

Pakistan

Abraaj Capital and BMA Capital have launched the US\$ 300 million Abraaj BMA Pakistan Buyout Fund L.P.. The fund is the largest private equity fund targeting investments in Pakistan, and was announced by His Excellency the Prime Minister of Pakistan, Shaukat Aziz in a ceremony held at his Secretariat in Islamabad. The Prime Minister congratulated Abraaj Capital and BMA Capital on their pioneering effort adding, *"This fund is a testimony to the*

economic progress of Pakistan and the favorable conditions that are available for investment." Both firms were praised by the Prime Minister for taking the lead role in the economic development of Pakistan.

The Abraaj BMA Pakistan Buyout Fund L.P. will target an internal rate of return of 30% and will pursue a broad-based and opportunistic strategy. The fund will concentrate on sectors with high growth rates and proven business models. It will also look into fragmented sectors with room for consolidation, significant barriers to entry and stable business cycles resistant to recession.

The fund will provide its global investors with an opportunity to participate in Pakistan's success story through a unique and novel asset class and, through the use of co-investments and leverage, it will facilitate investments of up to US\$ 1 billion into Pakistan.

Infrastructure and Growth Capital

Abraaj Capital has entered into a joint venture with Deutsche Bank and Ithmaar Bank to raise a US\$ 2 billion Shari'a compliant alternative assets fund. The announcement was made by Arif Naqvi in a press conference at the World Economic Forum in Sharm El Sheikh, Egypt.

The Infrastructure and Growth Capital Fund L.P. (IGCF) will be one of the largest ever raised in the region. It will be managed by Abraaj Capital and co-sponsored by Ithmaar and Deutsche Bank. The fund is Shari'a compliant and will be governed by a Shari'a board with a target IRR of 15% and a targeted life of 10 years. The key sectors for the fund will be infrastructure, oil and gas, petrochemicals, telecom, power,

water, healthcare and education. The investment opportunity in these sectors exceeds US\$ 1 trillion.

Commenting on this new venture, Mr. Naqvi added: *"We are delighted to partner with two outstanding institutions in this ground-breaking fund. Shari'a compliant finance is the fastest growing area of the global financial industry and private equity the fastest growing asset class in the Middle East. Bridging the two together creates an enormous opportunity for investors to participate in the regional success."*

Ashok Aram, Managing Director of Deutsche Bank, and a board member of Abraaj Capital, said: *"As one of the world's largest financial institutions, Deutsche Bank has identified this region as important to its continued growth. The coming together of critical and complementary skills in this infrastructure and growth capital fund provides investors a unique opportunity to participate in the ongoing economic growth and long-term development of this region."*

India

Abraaj Capital and Sabre Capital have entered into a 50:50 joint venture to raise and manage The Sabre Abraaj India Private Equity Fund I Limited.

With a target capitalization of US\$ 300 million, the fund will take majority or significant minority stakes in listed and unlisted Indian companies. The fund will focus on opportunities in the growth and buyout stages. It will invest in Indian companies that have strong growth prospects across a wide variety of sectors including retail, BPO, IT, auto ancillaries, life sciences, leisure and travel, entertainment and healthcare among others. The fund will target an IRR of 30%.

With respect to this joint venture, Rana Talwar, Chairman of Sabre Capital stated: *"We are pleased to partner with Abraaj Capital which is the established leader in private equity. The tremendous track record of Arif Naqvi personified by Abraaj Capital's roaring business in the Middle East will complement*

our India connections and expertise perfectly. Abraaj Capital has the proven expertise in investing in buyouts and special situations in the Middle Eastern & North African markets and we look forward to complementing each others' capabilities."



SHEIKH ABDULRAHMAN ALI AL TURKI, DR. OMAR BIN SULAIMAN AND ARIF NAQVI CELEBRATING THE OCCASION OF ABRAAJ CAPITAL BECOMING THE FIRST PURE PRIVATE EQUITY FIRM TO BE REGISTERED BY DFSA TO OPERATE OUT OF THE DIFC.

Earlier this year, Abraaj Capital Limited (the Company) became the first pure private equity firm to be "Authorized" by Dubai Financial Services Authority (DFSA) to operate out of the Dubai International Financial Centre (DIFC).

Hilton McCann, Abraaj's Vice President - Compliance, explains the rigorous review process that Abraaj has voluntarily undertaken and which demonstrates why it is a leader in the region – not least in matters of professional integrity: *"In order to be entitled to provide financial services in and from the DIFC, Abraaj Capital Limited had first to satisfy DFSA that it warranted a licence. The licensing process is intrusive and covers all facets of an applicant's business. It includes making sure that the business is properly capitalized and structured and that its reputation is positive. It also involves ensuring that each member of staff is competent and a person of integrity. We are pleased to say that the Company was 'Authorized' by the DFSA on 20 March, 2006. In order to*

demonstrate that we continue to be 'Fit and Proper' on an on-going basis, the Company submits quarterly returns and is subject to on-going checks and inspections. Being licensed and regulated by a reputable Regulatory Authority like the DFSA is a strong affirmative confirmation to clients that the Company and its employees operate at the highest levels of integrity and competence."

Dr. Omar Bin Sulaiman, Governor of the DIFC, adds: *"It is with great pleasure that we welcome Abraaj Capital. The track record of this company is second to none. It has been a pioneer in its field, establishing the private equity industry in the UAE and the region, and we are delighted that Abraaj has chosen to come to DIFC as the next stage of its development. Abraaj Capital is a great regional success story, and we welcome them to the DIFC."*

Abraaj undertakes voluntary regulation by the DFSA



ABRAAJ MANAGING DIRECTOR MUSTAFA ABDEL-WADOOD, ABRAAJ CEO AND EXECUTIVE VICE CHAIRMAN ARIF NAQVI, JNB CHAIRMAN H.E. DR. RAJAI MUASHER AND DEPUTY CHAIRMAN NADIM Y. MUASHER AT THE PRESS CONFERENCE IN AMMAN ANNOUNCING THE ABRAAJ ACQUISITION OF A 10% EQUITY STAKE IN JNB.

Abraaj acquires 10% Equity of Jordan National Bank

On 13 September Abraaj Capital announced it has acquired a 10% equity stake of Jordan National Bank (JNB). The deal was concluded through The Abraaj Special Opportunities Fund II L.P.. JNB is listed on the Amman Stock Exchange (ASE).

The Jordanian Exchange Commission approved the capital increase of 8 million shares giving Abraaj a total holding of 11.8 million shares, equivalent of 10.7% shareholding.

Established in 1955, JNB is one of the country's leading financial institutions offering retail and corporate banking services such as deposits, lending, trade finance, foreign exchange, credit cards and investments. JNB has a strong local and regional presence with 48 branches in Jordan, nine in Lebanon, five in Palestine, an International banking unit in Limassol, Cyprus and a brokerage arm in Abu Dhabi, UAE.

His Excellency Dr. Rajai Muasher, Chairman, JNB, said: *"We are excited to have Abraaj Capital as our strategic investor. It will help us achieve our vision to emerge as the recognized leader across the Middle East. JNB is currently laying world-class banking foundations in Jordan that we plan to use as the basis for regional expansion in the next five years. We are confident that Abraaj's proven expertise will assist us in our regional expansion strategy as we search for joint development and growth opportunities."*

"JNB has a solid growth strategy going forward. The Bank is undergoing a comprehensive reorganization and re-engineering plan which will help move the bank from its current position into one of the best performing local banks in two years, a regional powerhouse in five years, and into a world class financial services firm in the next decade. We are excited

to have Abraaj join us at this time, and to support us in achieving our ambitious strategic objectives."

Commenting on the development, Shirish Saraf, Managing Director, Abraaj Capital, said: *"We are glad to receive the Jordanian Exchange Commission's approval. We believe that this deal further enhances Abraaj Capital's exposure in the buoyant regional financial services sector. The acquisition of this stake in JNB falls in line with our strategic focus on 'strong minority' block positions in well established listed companies with attractive growth potential."*

"We feel that JNB stock is under valued and has the potential to out perform ASE indices. Abraaj Capital has great confidence in JNB's management, which is improving operational efficiencies and implementing growth strategies."



SHEIKHA HANADI NASSER BIN KHALED AL THANI RECEIVING THE AWARD FROM H.E. RECEP TAYYIP ERDOGAN, H.E. FOUAD SINIORA AND H.E. AMRE MOUSSA

Amwal 'top investment firm' in Qatar

Amwal was named "the leading investment firm in Qatar" by Iktissad Wal Aamal Group, the leading publishing group in the region, during the Turkish-Arab Economic Forum, held in June.

The award was presented by Turkish Prime Minister, Recep Tayyip Erdogan, to Sheikha Hanadi Nasser bin Khaled Al Thani, Vice Chairperson and Managing Director of Amwal.

During the award ceremony, Sheikha Hanadi said "We are honored to receive this award. It is a true testament to the ongoing commitment of Amwal's team to excellence."

Raouf Abou Zaki, General Manager of Iktissad Wal Aamal Group said "Amwal is amongst modern firms that have proven their expertise and excellence in a short period of time. The firm's local expertise in Qatar has strengthened its vision to expanding at the regional level. The leadership of Sheikha Hanadi Nasser bin Khaled Al Thani combined with a strong shareholder base including Abraaj Capital has enabled Amwal to achieve significant growth. The Turkish-Arab Economic Forum, which gathered high profile Arab and Turkish leaders from economical and political arenas was truthfully the right opportunity to present a well deserved award."

The first half of 2006 witnessed the signing of JorAMCo's two most important contracts to date: A new hangar, doubling JorAMCo's capacity, and a state-of-the-art MRO software system, key to extracting maximum workflow efficiencies.

Strategic initiatives within JorAMCo also include the bolstering of top management. Martin Assmann joined as the General Manager of JorAMCo's Sales and Marketing division in June. Mr. Assmann joins JorAMCo from Lufthansa Technik AG in Hamburg where he served as Senior Manager in Marketing and Sales. He brings a wealth of experience and a vast network from his tenure with Lufthansa Technik and within the European charter and low cost airline sectors, which will constitute a critical target market for JorAMCo when the new hangar comes into operation in 2007.

JorAMCo boosts management and makes progress on expansion initiatives

Maktoob.com launches first advanced Arabic language search engine and BBC partnership

On 14 September Maktoob.com unveiled the beta version of Araby.com, the first search engine in the world that offers advanced Arabic language capabilities to users worldwide. The multi-million dollar project conceived and created by Maktoob promises to deliver phenomenally superior search results to its users.

"We are proud to introduce Araby.com to users around the world," said Samih Toukan, CEO of Maktoob Group. *"Araby.com brings powerful new features to enhance the Web browsing experience. Seeing as it is a beta version, we will be optimizing and improving our services over the next few months, further enhancing Arabic language capabilities and adding new search verticals based on user feedback, in a bid to offer our users the very best of top-notch technical innovation."*

In June, Maktoob.com announced it has partnered with the world's largest broadcasting organization, BBC, as part of a newly launched online news service.

Senior officials from Maktoob.com highlighted how this pioneering alliance with a global news giant is in step with the website's dynamic growth strategy and its commitment to provide the highest quality Arabic content and services to its users.

The recent spate of acquisitions and alliances demonstrate how the world's largest online Arab portal has no intention of slowing down its drive to increase its regional presence.

"Maktoob.com is pleased to partner with BBC, which will help us in enriching our newly launched news section with the latest breaking news. This alliance, which combines the strengths of the BBC's global network and Maktoob.com's regional presence, will result in a first-rate news service for our readers," said Ahmed Nassef, General Manager of Maktoob.com

Mohamed Yehia, Editor of BBCArabic.com added: *"The BBC is happy to be associated with Maktoob.com, as this partnership with one of the region's top web portals will give us added exposure and reach in the Arab world."*

Both of these announcements follow Maktoob.com's industry acknowledgement in April. In recognition of creativity, integrity and excellence, Maktoob.com won the prestigious "Directories & Info services" award from the Pan Arab Web Awards held in Amman, Jordan.

The ceremony, organized under the patronage of the League of Arab States and the Jordanian Ministry of Communications and Information

Technology, is held annually to recognize innovative and creative web and business developers in the pan Arab region.

This award highlights the huge attention and admiration the portal receives from users as an unsurpassed source for cutting edge communication tools and the latest news and information.

Speaking on this occasion, Samih Toukan said: *"Winning this award confirms our position as the leading Arab online media and recognizes the huge popularity of our web portal amongst Internet users in the Arab world."*

Ahmed Nassef, added, *"We constantly strive to understand and satisfy our users' needs by building compelling and world-class online community and information services. The reward comes as the fruit of our ongoing commitment to high standards and will provide us with encouragement to introduce even more ground-breaking services for Arab Internet users."*

Septech Emirates reveals new contracts & technologies

Septech Emirates won two more contracts in May for a major regional construction company in Sharjah and a leading university in the Kingdom of Saudi Arabia. The contracts are for sewage installations, each worth about AED 1 million. Septech's bid attracted the clients because they utilize a modern biological treatment process that keeps costs and energy levels down while reducing the need for excessive equipment, maintenance and labor.

Septech has also recently introduced new technology in the region with an integrated floating wave attenuator to be installed in a service

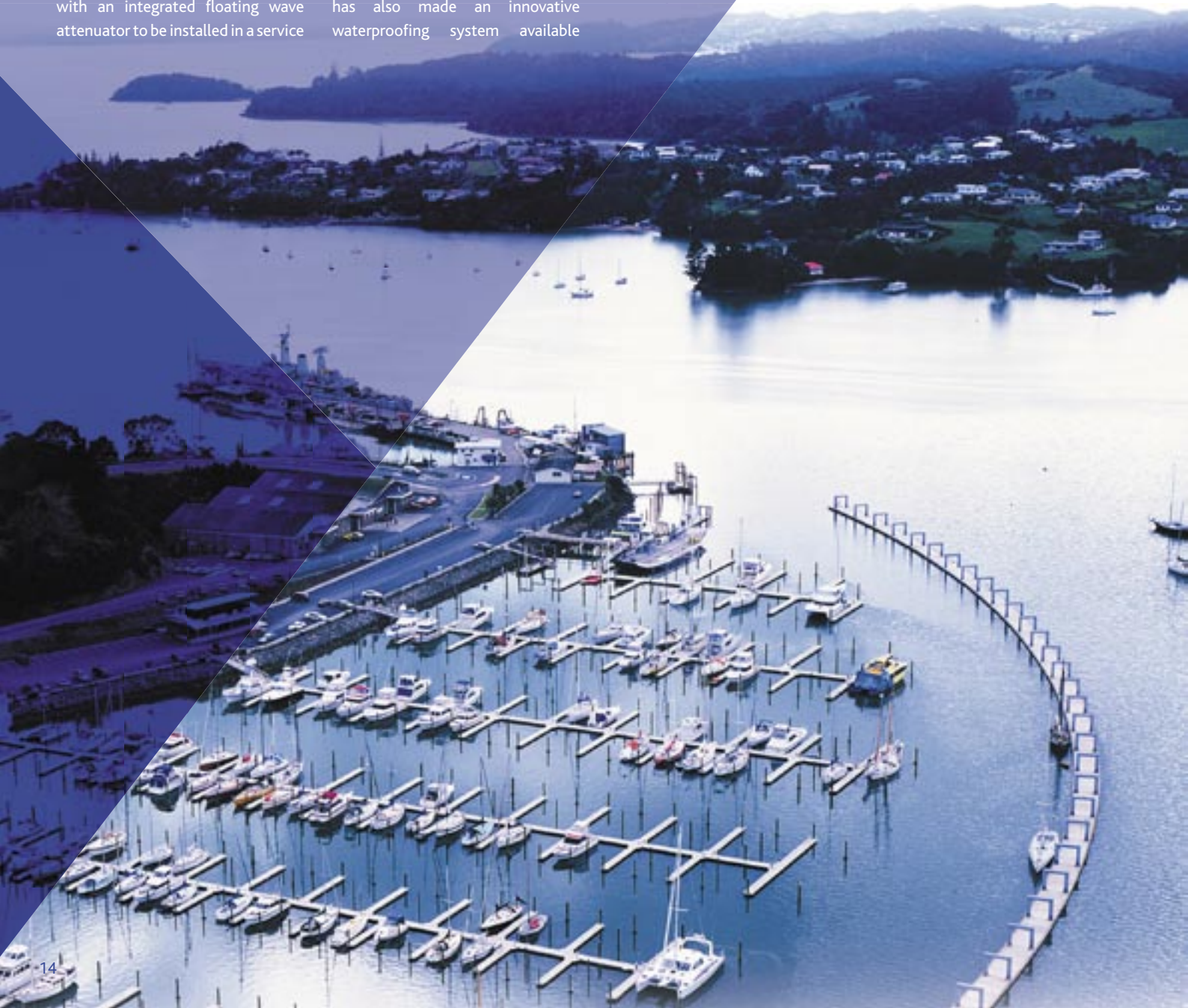
marina at Al Qarsana Island in Abu Dhabi.

"Alternative methods attempting to combat wave action in the region use inferior methods compared to the wave attenuator Septech will install on Al Qarsana Island," said David Heffernan, Managing Director. *"Our wave attenuators utilize the unique Bellingham Marine floating, integrated system, saving clients money and making the marina a safer haven for vessels."*

And rounding out an impressive six months of activity, the company has also made an innovative waterproofing system available

in the Middle East for the first time. Challenges associated with building in the Middle East where construction often takes place below the water table can be overcome, thanks to a self healing waterproofing system manufactured and distributed for the first time in the region by Septech Emirates.

A BELLINGHAM MARINE WAVE ATTENUATOR (PICTURED HERE IN NEW ZEALAND) AND BEING INSTALLED BY SEPTECH IN ABU DHABI, INCORPORATES A MARINA PROTECTION SYSTEM NEVER SEEN BEFORE IN THE MIDDLE EAST.



Spinneys hypermarket opened in Cairo

In June, Spinneys opened Egypt's newest hypermarket in Cairo's upscale CityStars Mall. It is a 13,500 square meter outlet set to capitalize on the redefinition of retail business currently taking place in Egypt.

Michael Wright, who managed the entire fit-out and development process for Spinneys elaborates: ***"It's a relatively new experience for Egyptians who are used to going to many different places to get their groceries and household items. It is an exciting concept for them to find everything under one roof."***

The vision driving the creation of the Spinneys hypermarket is to create a friendly, convenient retail experience the entire family can enjoy, providing everything consumers are looking for including Spinneys own brand products as well as local and imported goods.

The Citystars Mall was the obvious choice for the first Spinneys

hypermarket because it too was developed to serve the large base of middle and upper class residents looking for a more enjoyable shopping experience. The mall is set between the two relatively affluent suburbs of Helipolis and Nasr City and is just 10 minutes from Cairo International Airport and 25 minutes from the heart of downtown. The centre also includes hotels, restaurants and cinemas. In a growing and already bustling city this shopping experience provides plenty of space and selection as well as the convenience of being indoors and addressing the often frustrating experience of finding parking in the middle of the city.

The Spinneys customer service team has been specially trained to

be super friendly and helpful. ***"We have selected staff who are willing to serve people with a smile. They have been trained to fit 'Spinneys Style'"*** said Michael Wright.

Backed by the right vision, product line and team the future is certainly bright for Spinneys in Egypt.

Capital Club to open within Dubai International Financial Centre



HUSSAIN SULTAN, GROUP CHIEF EXECUTIVE & BOARD MEMBER OF ENOC, MAJEED KHALIL, SENIOR CONSULTANT, SIGNATURE CLUBS INTERNATIONAL, ABDUL RAHMAN FALAKNAZ, PRESIDENT OF FALAKNAZ GROUP AND MAHENDRA PANCHOLIA, VICE CHAIRMAN, ARABIAN TRADING AGENCY AT CAPITAL CLUB'S INAUGURAL BOARD OF GOVERNOR'S MEETING.

Signature Clubs International ("SCI") has now formed its core management team and has active negotiations for Club sites in Abu Dhabi, Bahrain and Amman, as well as Dubai. The first and flagship Club of SCI is the Capital Club, located in a prime position within the Dubai International Financial Centre. The Capital Club is positioned as Dubai's premier private Business Club. The Club recently formed a Board of Governors consisting of some thirty leaders in finance, business and government. The Club's membership launch takes place in October and completion

and opening of the Club is planned for mid 2007. One of Capital Club's new Club Partners is another Abraaj portfolio company, ART Marine who are exclusive charter partners of the Club. Abraaj Executive Vice Chairman and CEO, Arif Naqvi and Guy Guillemard, CEO of Signature Clubs International, serve on the Capital Club's Board of Governors .



ART MARINE INTRODUCES THE AZIMUT 116 TO THE GULF

Arabtec PJSC wins AED 1 Billion Palazzo Versace Resort contract

Arabtec PJSC (Arabtec) is involved in some of Dubai's most prestigious construction projects such as the Burj Dubai – intended to become the world's tallest tower in 2008 – and more recently has won a AED 1 billion contract to build the 215-suite Palazzo Versace Resort at Culture Village, Dubai Properties' recently launched master community project at Dubai Creek.

The deal also covers construction of an adjoining 80-storey apartment tower called D1 - modeled on Sunland Group's Q1 tower on Australia's Gold Coast. The two Dubai projects are set to cost a total of US\$ 400 million to build, and would have an end value of US\$ 1.4 billion. In this joint venture, Emirates Sunland and Arabtec will each own 50 per cent of the project management company responsible for delivering the Palazzo Versace and D1 projects.

Sunland Group developed the world's first Palazzo Versace on the Gold Coast in 2000, and the Dubai property will be the second in the world. Construction on the Dubai project is expected to start in early 2007. The Palazzo Versace is set to open in 2009 and it is the second designer hotel to be announced for the city following EMAAR

and Armani Hotel and Resorts' announcement to build a property at Burj Dubai some months ago.

According to Dr. Santo Versace, president of the Versace Group, *"Palazzo Versace will provide the ultimate destination for those wanting a taste of the 'Versace' lifestyle within a dynamic and modern environment like Dubai. The Versace Group together with Sunland Group, which opened the first Palazzo Versace on the Gold Coast in September 2000, identified the Middle East as the next potential region for a Versace resort the ultimate experience in luxury vacationing."*

Emirates International Holdings (EIH) acquired a 50 per cent stake in

Sunland's Palazzo Versace Resort in the Gold Coast for US\$ 40 million. Sharjah-based Enshaa psc (formerly Gulf Resources) and The Abraaj Real Estate Fund L.P., which last year acquired a 34.5 per cent stake in the company, are the largest investors in EIH. The Fund is also the largest institutional shareholder in Arabtec PJSC.

Dr. Riccardo Tumbiolo at Azimut's annual yacht dealers' meeting on 5 October. Over 100 dealers' representatives from 55 countries attended the meeting in Milan. ART Marine operates dealers in U.A.E., Oman, Kuwait, Qatar, Bahrain, KSA, Egypt, Jordan and Pakistan.

In September, ART Marine announced the arrival of the Azimut yachts range flagship in Dubai. The Azimut 116 arrived with four other Azimut yachts: the Azimut 39, the Azimut 46 and two Azimut 68 Evolution, all sold for delivery to their local owners. Capt. Alessio Tumbiolo foresees an increase in the demand for this particular yacht in the region. He adds, *"This magnificent 116 feet 6 inch yacht has been designed by Stefano Righini in perfect harmony with Azimut's styling department, while the inside decoration was done by Carlo Galeazzi. This combination guarantees our customers maximum flexibility, which is absolutely essential on a craft of this size."*

ART Marine announces debut of the Azimut 116 in the Gulf

ART Marine, the leading marine hospitality company in the Middle East, was recognized as the best worldwide dealer of Azimut yachts in terms of sales. The award was presented to CEO Capt. Alessio Tumbiolo and Managing Director

The past year has been a time of tremendous growth for Abraaj both in terms of regional presence and the professional team required to support this expansion. To that end there have been several top level appointments in 2006.

Abraaj Capital appoints two new Managing Directors



Shirish Saraf

Shirish Saraf was appointed as a Managing Director with responsibility in the special opportunities, placements and business development aspects of the business.

CEO Arif Naqvi, said: *"A spokesperson for the US\$ 6 billion private equity industry in the region, Shirish has played an invaluable part in the progress of Abraaj into what it is today. He has always demonstrated great responsibility in the fulfillment of this role and has always delivered to expectations and beyond. I am pleased to announce his appointment as Managing Director."*

Mr. Saraf stated: *"I am delighted to take up this new responsibility and look forward to drawing on the skills and specializations of our talented*

people in our journey forward. The US\$ 300 billion surplus expected in GCC economies in 2006 will have a tremendous impact on all levels of industry. We look to tap some great opportunities to build value that surpasses the expectations of our investors and sets benchmarks for the industry."

Mustafa Abdel-Wadood

Mustafa Abdel-Wadood joined Abraaj Capital in June as Managing Director and the newest member of the Board of Directors, from EFG-Hermes, where he served as CEO for the UAE and previously as the Managing Director of Investment Banking, EFG-Hermes Egypt.

Mr. Naqvi said *"Mustafa has remarkable credentials and is a well-recognized name in the investment banking and corporate*

community of the Arab World. In addition to his management expertise, he has been involved in numerous landmark transactions across different sectors. We are extremely pleased to welcome him on board."

Commenting on his appointment, Mr. Abdel-Wadood stated: *"It is a pleasure to join the world-class team at Abraaj Capital. The firm has an excellent franchise and track record as the leading private equity player in the region. The opportunity to work with the team towards the next phase of growth is very exciting."*

Simon Davies

In September, Simon Davies was appointed as Chief Operating Officer (COO) of the Firm. Arif Naqvi made the announcement adding, *"It is precisely because of Simon's significant contribution to the Firm coupled with his immense knowledge of our business that I believe he is the right person to take on this challenge."*

Mr. Davies said, *"I very much look forward to this next chapter of my career at Abraaj and focusing my energies on enhancing how the Firm operates and delivers, both internally across all functions and externally to investors, debt providers and other stakeholders."*

Mr. Davies has over 24 years of experience within the finance

field, in both public practice and in industry, with the last 18 years spent as a Finance Director. Previously as Abraaj Chief Financial Officer, he was responsible for the financial management, regulatory and compliance and legal activities of the Firm as well as relationships with providers of senior debt and leveraged finance. Prior to this, Mr. Davies has worked as Finance Director at Publicis Groupe, UK, one of the world's largest communications groups, for 6 years. Between 1994 and 1995, he was Finance Director of Global Emerging Markets Limited, where he devised and set up an international research function ensuring global use of agreed standards of quality and delivery. From 1992 to 1994, Mr. Davies was Group Finance Director for Flightbookers, a retail travel

agent and airline GSA now known as ebookers, Europe's largest internet travel portal.



Tom Speechley

Tom Speechley joined Abraaj in July as Executive Director. Prior to joining Abraaj he was a partner at Macfarlanes, one of the leading private equity law firms in London. In his twelve-plus years in the private equity sector, Mr. Speechley has completed in excess of 50 buyouts and other acquisitions finance. Prior to Macfarlanes, he was a partner with the Norton Rose acquisition finance group. He

advised on a number of high profile buyouts including the take-private of Aramex Holdings from NASDAQ, one of the signature deals of The Abraaj Buyout Fund L.P..



Marc Philippe

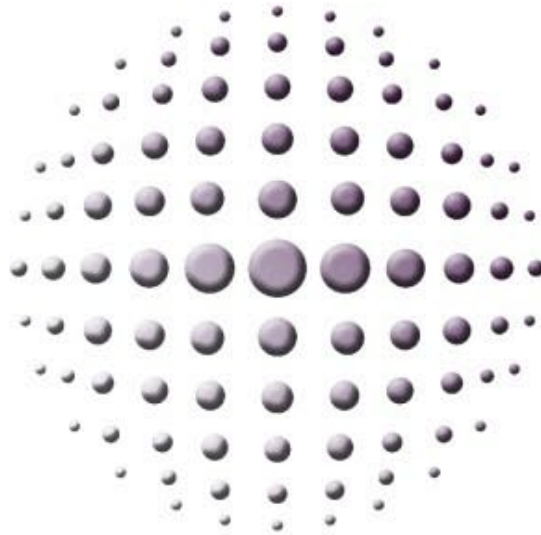
Also in July, Marc Philippe joined Abraaj as Senior Vice President. Mr. Philippe has 17 years of international experience in mergers and acquisitions, business development, and more particularly private equity, gained in Europe. Having started his career in corporate finance, Mr. Philippe began working in private equity in 1994 at Duke Street Capital and later GE Capital and Electra Partners Europe. He has notably contributed to acquisitions of leasing companies with a combined asset value of US\$ 1.5 billion and to the €12.2 billion acquisition of Wind, the number three telecom operator in Italy, which was acquired by Weather Investments and was the largest LBO ever done in Europe. At Abraaj, he is responsible for the sourcing and closing of investment opportunities.

Soubhi Abdulkarim

Soubhi Abdulkarim joined Abraaj in October as Senior Vice President & CTO. Mr. Abdulkarim has over 22 years of experience with multinationals and regional organizations in the areas of technology and management. At Abraaj, he is responsible for developing, driving and implementing the technology roadmap of Abraaj and the portfolio companies. Prior to joining Abraaj, Mr. Abdulkarim was the IT Manager of ASPIRE, Academy for Sport Excellence, and the IT Director of Sport City in Qatar. As the first executive staff member hired by ASPIRE, Mr. Abdulkarim built one of the most advanced converged networks today. From 1995 to 2002 as senior staff at Intel Corporation, Mr. Abdulkarim played key roles in developing and implementing new

technologies in the marketplace, such as AGP, USB, and DVD. He holds a patent in his name in the field of PC power management, as well as many other awards and recognitions for his contribution to the advancement of computer technologies in addition to authoring an industry standard specification.





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